



Reprinted
February 15, 2008

ENGROSSED SENATE BILL No. 42

DIGEST OF SB 42 (Updated February 14, 2008 1:29 pm - DI 77)

Citations Affected: IC 2-5; IC 12-15; noncode.

Synopsis: Medicaid and health education centers. Adds the determination of whether a managed care organization that has contracted with the state to provide Medicaid services has performed the terms of the contract to the duties of the select joint commission on Medicaid oversight (commission). Repeals a provision that provides for the expiration of the commission on December 31, 2008. Requires certain managed care organizations participating in the Medicaid program to: (1) be accredited by the National Committee for Quality Assurance by within certain timeframes; and (2) accept electronic claims for payment. Requires that the budget agency allot and distribute certain money appropriated for area health education centers. (The introduced version of this bill was prepared by the select joint commission on Medicaid oversight.)

Effective: Upon passage; July 1, 2008.

Miller, Sipes

(HOUSE SPONSORS — BROWN C, BROWN T)

January 8, 2008, read first time and referred to Committee on Health and Provider Services.

January 10, 2008, reported favorably — Do Pass.

January 15, 2008, read second time, ordered engrossed. Engrossed.

January 17, 2008, returned to second reading.

January 24, 2008, re-read second time, amended, ordered engrossed.

January 25, 2008, re-engrossed.

January 28, 2008, read third time, passed. Yeas 47, nays 0.

HOUSE ACTION

January 30, 2008, read first time and referred to Committee on Public Health.

February 7, 2008, reported — Do Pass.

February 14, 2008, read second time, amended, ordered engrossed.

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ES 42—LS 6117/DI 104+



Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 42

A BILL FOR AN ACT to amend the Indiana Code concerning
Medicaid.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 2-5-26-8 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2008]: Sec. 8. The commission shall do the
3 following:

4 (1) Determine whether the contractor for the office under
5 IC 12-15-30 that has responsibility for processing provider claims
6 for payment under the Medicaid program has properly performed
7 the terms of the contractor's contract with the state.

8 **(2) Determine whether a managed care organization that has**
9 **contracted with the office to provide Medicaid services has**
10 **properly performed the terms of the managed care**
11 **organization's contract with the state.**

12 ~~(2)~~ (3) Study and propose legislative and administrative
13 procedures that could help reduce the amount of time needed to
14 process Medicaid claims and eliminate reimbursement backlogs,
15 delays, and errors.

16 ~~(3)~~ (4) Oversee the implementation of a case mix reimbursement
17 system developed by the office and designed for Indiana Medicaid

ES 42—LS 6117/DI 104+



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certified nursing facilities.

~~(4)~~ (5) Study and investigate any other matter related to Medicaid.

~~(5)~~ (6) Study and investigate all matters related to the implementation of the children's health insurance program established by IC 12-17.6.

SECTION 2. IC 12-15-12-21 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 21. (a) Not later than January 1, 2011, the following must be accredited by the National Committee for Quality Assurance or its successor:**

(1) A managed care organization that has contracted with the office before July 1, 2008, to provide Medicaid services under the risk-based managed care program.

(2) A behavioral health managed care organization that has contracted before July 1, 2008, with a managed care organization described in subdivision (1).

(b) A:

(1) managed care organization that has contracted with the office after June 30, 2008, to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted after June 30, 2008, with a managed care organization described in subdivision (1);

must begin the accreditation process and obtain accreditation by the National Committee for Quality Assurance or its successor at the earliest time that the National Committee for Quality Assurance allows a managed care organization to be accredited.

SECTION 3. IC 12-15-12-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 22. A:**

(1) managed care organization that has a contract with the office to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted with a managed care organization described in subdivision (1);

shall accept, receive, and process claims for payment that are filed electronically by a Medicaid provider.

SECTION 4. IC 2-5-26-15 IS REPEALED [EFFECTIVE JULY 1, 2008].

SECTION 5. [EFFECTIVE UPON PASSAGE] The general assembly finds that there is sufficient money available to expend

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1 the amount appropriated by P.L.234-2007 for area health
2 education centers for the state fiscal year beginning July 1, 2007,
3 and ending June 30, 2008. Notwithstanding any other law, the
4 budget agency shall allot and otherwise take the steps necessary to
5 make available for expenditure and distribute to area health
6 education centers before May 2, 2008, at least seventy-five percent
7 (75%) of the amount appropriated by P.L.234-2007 for area health
8 education centers for the state fiscal year beginning July 1, 2007,
9 and ending June 30, 2008. The budget agency shall allot and
10 otherwise take the steps necessary to make available for
11 expenditure and distribute to area health education centers before
12 July 1, 2008, at least an additional twenty-five percent (25%) of the
13 amount appropriated by P.L.234-2007 for area health education
14 centers for the state fiscal year beginning July 1, 2007, and ending
15 June 30, 2008. The remaining five percent (5%) of the
16 appropriation may be held as a reserve or allotted and released for
17 expenditure and distribution to area health education centers, as
18 determined by the budget agency using the standard allotment
19 procedures applicable to state expenditures. The provisions of law
20 permitting appropriations to be transferred, assigned, or
21 reassigned to another use, fund, or agency do not apply to the
22 appropriation described in this SECTION. Except as provided by
23 this SECTION relative to five percent (5%) of the appropriation,
24 the provisions of law permitting the budget agency to withhold an
25 allotment of an appropriation does not apply to the appropriation
26 described in this SECTION.

27 SECTION 6. An emergency is declared for this act.

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COMMITTEE REPORT

Madam President: The Senate Committee on Health and Provider Services, to which was referred Senate Bill No. 42, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is made to Senate Bill 42 as introduced.)

MILLER, Chairperson

Committee Vote: Yeas 8, Nays 0.

SENATE MOTION

Madam President: I move that Engrossed Senate Bill 42, which is eligible for third reading, be returned to second reading for purposes of amendment.

MILLER

SENATE MOTION

Madam President: I move that Senator Sipes be added as second author of Engrossed Senate Bill 42.

MILLER

SENATE MOTION

Madam President: I move that Senate Bill 42 be amended to read as follows:

Page 2, between lines 5 and 6, begin a new paragraph and insert:

"SECTION 2. IC 12-15-12-21 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 21. (a) Not later than January 1, 2011, the following must be accredited by the National Committee for Quality Assurance or its successor:**

(1) A managed care organization that has contracted with the office before July 1, 2008, to provide Medicaid services under the risk-based managed care program.

ES 42—LS 6117/DI 104+



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(2) A behavioral health managed care organization that has contracted before July 1, 2008, with a managed care organization described in subdivision (1).

(b) A:

(1) managed care organization that has contracted with the office after June 30, 2008, to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted after June 30, 2008, with a managed care organization described in subdivision (1);

must begin the accreditation process and obtain accreditation by the National Committee for Quality Assurance or its successor at the earliest time that the National Committee for Quality Assurance allows a managed care organization to be accredited.

SECTION 3. IC 12-15-12-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 22. A:

(1) managed care organization that has a contract with the office to provide Medicaid services under the risk-based managed care program; or

(2) behavioral health managed care organization that has contracted with a managed care organization described in subdivision (1);

shall accept, receive, and process claims for payment that are filed electronically by a Medicaid provider."

Renumber all SECTIONS consecutively.

(Reference is to SB 42 as printed January 11, 2008.)

LAWSON C

COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Health, to which was referred Senate Bill 42, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BROWN C, Chair

Committee Vote: yeas 10, nays 0.

ES 42—LS 6117/DI 104+



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HOUSE MOTION

Mr. Speaker: I move that Senate Bill 42 be amended to read as follows:

Page 2, after line 40, begin a new paragraph and insert:

"SECTION 5. [EFFECTIVE UPON PASSAGE] The general assembly finds that there is sufficient money available to expend the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. Notwithstanding any other law, the budget agency shall allot and otherwise take the steps necessary to make available for expenditure and distribute to area health education centers before May 2, 2008, at least seventy-five percent (75%) of the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The budget agency shall allot and otherwise take the steps necessary to make available for expenditure and distribute to area health education centers before July 1, 2008, at least an additional twenty-five percent (25%) of the amount appropriated by P.L.234-2007 for area health education centers for the state fiscal year beginning July 1, 2007, and ending June 30, 2008. The remaining five percent (5%) of the appropriation may be held as a reserve or allotted and released for expenditure and distribution to area health education centers, as determined by the budget agency using the standard allotment procedures applicable to state expenditures. The provisions of law permitting appropriations to be transferred, assigned, or reassigned to another use, fund, or agency do not apply to the appropriation described in this SECTION. Except as provided by this SECTION relative to five percent (5%) of the appropriation, the provisions of law permitting the budget agency to withhold an allotment of an appropriation does not apply to the appropriation described in this SECTION.

SECTION 6. An emergency is declared for this act."

Renumber all SECTIONS consecutively.

(Reference is to ESB 42 as printed February 8, 2008.)

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